

## The Bloomington Urban Enterprise Association

The Bloomington Urban Enterprise Association (BUEA) oversees the daily operations of the Bloomington Urban Enterprise Zone. Established in accordance with state code, the Enterprise

Zone program exists to further economic development efforts in the city's urban core. Since 2001, the BUEA has fallen under the auspices of the City of Bloomington's Housing and Neighborhood Development Department (HAND). Since that time, by administering a handful of programs and educating Zone businesses and investors about Zone-related state tax incentives, the BUEA has spurred millions of dollars in increased investment and created or retained hundreds of jobs.



#### **BUEA** Governance

Though HAND is responsible for the daily operations of the organization, the BUEA is a 501(c)(3) organization governed by an independent board of directors. The board is established in accordance with state code and comprised of individuals representing various stakeholders in the Zone. The table below lists board members as of April 2007:

BUEA Board of Directors		
Roger Kent (Chair)	Anna Lynch	
Jack Baker (Secretary)	Jeff Mease	
Ron Stanhouse (Treasurer)	Vi Simpson	
Danise Alano	Chris Sturbaum	
Margarete Disque	Jeanne Walters	

### Zone Boundaries

The Zone encompasses much of the western edge of Bloomington's urban core. The Zone extends as far north as 17<sup>th</sup> Street and as far south as Country Club Drive. For the most part, the eastern boundary includes the structures along the eastside of South Walnut Street. Proceeding south, the eastern boundary extends out further for several blocks to include an industrial area and several apartment complexes. The west edge of the Zone follows a variety of streets that serve as boundaries for the Upper West Side, Near West Side, and McDoel Gardens neighborhoods. The western boundary also includes the Indiana Enterprise Center before heading south to include neighborhoods just to the west of South Rogers Street and South Rockport Road. A map of the Zone along with a list of addresses that fall within the Zone are located near the end of this document.



### User's Guide to the Zone

This document provides an overview of Zone-related tax incentives and BUEA programs. These incentives and programs benefit Zone businesses, investors, and residents. At the end of this document are sample tax forms and program applications for the incentives and programs described herein. They are current as of May 2007. Those who wish to take advantage of Zone programs and incentives after 2007, should contact the BUEA at (812) 349-3805 or at <a href="http://www.bloomington.in.gov/buea.php">http://www.bloomington.in.gov/buea.php</a> for updated forms and applications.



Two downtown buildings that the BUEA helped restore. The restoration of historic facades makes the downtown more inviting and furthers business activity in the area. The above building is located at 109 N. College, while the building to the right is at 110 N. Walnut.



# **Incentives and Programs for Zone Businesses**

Zone businesses are eligible to receive two state tax incentives and participate in four BUEA programs. The tax incentives include a credit for employing Zone residents and a deduction for property investment. Through partnerships with the South Central Indiana Small Business Development Center and SEED Corp., the BUEA makes technical assistance and seed financing available to Zone businesses. The BUEA also aids Zone businesses by through providing grants for historic façade preservation and loans for facility rehabilitation.

# **Enterprise Zone Investment Deduction**

This deduction allows taxpayers to deduct the increased value of property within an Enterprise Zone following a qualified investment. A qualified investment includes the following:

- (1) The purchase of a building.
- (2) The purchase of new manufacturing or production equipment.



- (3) Costs associated with the repair, rehabilitation, or modernization of an existing building.
- (4) Onsite infrastructure improvements.
- (5) The construction of a new building.
- (6) Costs associated with retooling existing machinery.

The deduction is equal to the difference between the assessed property value following the qualified investment and the assessed property value of a base year (the year preceding the qualified investment).

To claim the deduction a taxpayer must fill out Form EZ-2 and file it with the county auditor between March 1 and May 15. The auditor determines the eligibility of each investment and is required to notify each applicant of their determination by August 15. If the auditor approves the deduction, taxpayers can take it the following year.

However, if the property is located within the boundaries of a TIF district (see map on page 10), then the taxpayer must get city council approval prior to applying for the investment deduction.

The deduction may be claimed for ten years. The amount of the deduction will be the same for each year and a Form EZ-2 must be filed each year. Claimants must annually file a Form EZB-R with the Indiana Economic Development Corporation and BUEA by June 1 as well as pay a participation fee to the BUEA.

<b>EXAMPLE: Rehabilitation of Zone Business Property</b>	
Base Year Assessed Value of Property	\$100,000
Assessed Value After Rehabilitation	\$150,000
Property Tax Deduction	\$50,000
Property Tax Rate	2.26%
Property Tax Liability Before Deduction (150,000 * 0.0226)	\$3,390
Property Tax Liability After Deduction (100,000 * 0.0226)	(\$2,260)
Property Tax Savings	\$1,130

# **Employment Expense Credit**

Zone businesses that employ residents of the Zone may apply for a tax credit to be used towards the business's state tax liability. The credit is \$1,500 multiplied by the number of qualified employees.

Qualified employees must have a principal place of residence in the enterprise zone and perform services for a Zone business. At least 90% of the employee's services must be directly related to the conduct of the Zone business and at least 50% of the employee's services must be performed in the Enterprise Zone.



Employers can claim the credit by filing Schedule EZ with their state tax returns. This credit may be applied against the business's Indiana gross income tax, adjusted gross income tax liabilities, and/or insurance premium tax. Businesses claiming any Zone tax incentive must also annually file a Form EZB-R with the Indiana Economic Development Corporation and BUEA by June 1, but unlike other tax incentives, a participation fee paid to the BUEA is not required.

EXAMPLE: Zone Business Employing 10 Zone Residents	
Number of Qualified Employees	10
Salary per Qualified Employee	\$30,000
Total Payroll for Qualified Employees	\$300,000
Employment Expense Credit for 10 Qualified Employees: \$1,500 * 10 = \$15,000	(\$15,000)
Effective Payroll for Qualified Employees	\$285,000
Business's Indiana Gross Income Tax Liability (Original)	\$45,000
Employment Expense Credit	(\$15,000)
Business's Indiana Gross Income Tax Liability (Final)	\$30,000

## Entrepreneurial Support and Technical Assistance

The BUEA's Entrepreneurial Support and Technical Assistance Program allows Zone businesses to receive technical assistance from the South Central Small Business Development Center (SBDC) either at free or at a minimal charge. Interested businesses should contact SBDC at (812) 339-8937 for more information.

# **Entrepreneurial Financing Partnership**

In collaboration with SEED Corp., the BUEA makes microloans available for use as seed capital to start a new small business or expand an existing small business. Interested Zone businesses should contact SEED Corp. at (812) 323-7827 for more information.

## Historic Façade Preservation Grants

Annually, the BUEA allocates a limited dollar amount to provide funding to Zone businesses to rehabilitate and preserve their historic façades. Grants are awarded by the BUEA Board of Directors in an amount not to exceed \$10,000. Commercial and industrial properties are eligible for the grant which may be used only for the costs associated with actual and approved facade rehabilitation and other costs relating to the requirement of various building codes.



Businesses wishing to apply for an historic preservation grant should call the BUEA at (812) 349-3805 for an application. After completion, applications must be submitted to the BUEA staff for review along with renderings of the proposed façade renovations. Applicants are strongly encouraged to consult with the historic preservation program manager of the City of Bloomington's Housing and Neighborhood Development Department regarding the proposed renovations.

At a regularly scheduled meeting, the BUEA staff will submit the application to the Board of Directors with a recommendation for approval or denial. If approved, funding is awarded upon the completion of approved work and inspection by BUEA staff.



Before and after pictures of a building at 7<sup>th</sup> and College Ave. that BUEA dollars helped restore.



## Zone Business Facility Rehabilitation Loans

The BUEA Zone Business Facility Rehabilitation Loans are designed to encourage adaptive reuse of existing business space within the Zone. Accordingly, the BUEA makes financial assistance available to Zone businesses in the form of a low-interest loan of up to \$25,000 to rehabilitate commercial and industrial properties such that they are brought into compliance with applicable building codes.

For a period of five years from the date of closing of the BUEA loan, the property may not be encumbered with additional financing beyond a bank first mortgage and the BUEA's second mortgage. The BUEA loan amount may include costs associated with the actual and approved code required rehabilitation and the cost of the title search, property appraisal, and recording fees or any other expenses incurred by the BUEA in processing the loan.

Loans will be amortized at one point below prime rate on the date of loan closing over a fifteen

A User's Guide to the Bloomington Urban Enterprise Zone



year term. Funding is disbursed upon the completion of approved work and inspection by BUEA staff. Businesses wishing to apply for facility rehabilitation loans should call the BUEA at (812) 349-3805 for more information.

#### **Incentives for Zone Investors**

In addition to the aforementioned Enterprise Zone Investment Deduction, which may be applicable to investments made in real estate, investors can take advantage of two additional state tax incentives: the Investment Cost Credit and Loan Interest Credit.

#### **Investment Cost Credit**

An individual purchasing an ownership interest in a Zone business may be eligible to receive a tax credit of up to 30% of the purchase price. Applicants for the credit must offer a legitimate purpose for the investment, prove that the business is viable and demonstrate that the investment will not be made unless the credit is issued. The Indiana Economic Development Corporation (IEDC) is responsible for determining if a credit will be issued and the size of the credit. For more information, contact IEDC at (317) 232-8800.

#### Loan Interest Credit

A taxpayer may take a credit of 5% of the interest income received from a qualified loan made to a Zone business or resident. The loan must apply to purposes directly related to the business or increase the assessed value of real property in the Zone, including residential property. Home purchase loans and loans for repairs may not qualify and the lender does not have to be located in the Zone to qualify.

To claim this credit, taxpayers should complete a Schedule LIC and attach it to their state individual or corporate tax return. Claimants must annually file a Form EZB-R with the Indiana Economic Development Corporation and BUEA by June 1, as well as pay a participation fee to the BUEA.

# **Incentives and Programs for Zone Residents**

Zone residents that also work in the Zone are eligible for a state income tax deduction while all Zone residents can benefit from the BUEA's Economic Independence Scholarships. The BUEA also helps Zone residents by providing grants to Monroe County Community School Corporation (MCCSC) schools that serve Zone children. The MCCSC schools eligible to receive funds apply directly to the BUEA every year. To date, the BUEA has provided \$130,000 to MCCSC schools.



A User's Guide to the Bloomington Urban Enterprise Zone



# **Employee Wage Deduction**

Zone residents are entitled to deduct a portion of their taxable income for state tax purposes if they work 50% of their time in the Enterprise Zone and have at least 90% of their services directly related to the employer's facility in the enterprise zone.

The annual tax deduction is one half adjusted gross income or \$7,500, whichever is less. The deduction is claimed by attaching a Schedule IT-40 QEC to Indiana income tax returns. Zone employees are provided this form by their employers, usually when they receive their W-2.

EXAMPLE: Potential Income Tax Savings			
	Employee A: Qualified for Zone Benefits	Employee B: Not Qualified for Zone Benefits	
Indiana Taxable Income	\$15,000	\$15,000	
Employee Wage Deduction	(\$7,500)	-0-	
Adjusted Taxable Income	\$7,500	\$15,000	
Tax Rate	3.4%	3.4%	
Tax Due	\$255	\$510	
Total Tax Savings	\$255	-0-	

# Zone Resident Economic Independence Scholarships

The BUEA Zone Resident Economic Independence Scholarships are designed to help Zone residents achieve a greater degree of economic independence through increasing the availability of educational opportunities. Zone residents, who have lived in the Zone for at least 12 months, are eligible to receive up to \$1,200 over their lifetime to take classes that will aid in furthering their economic opportunities.



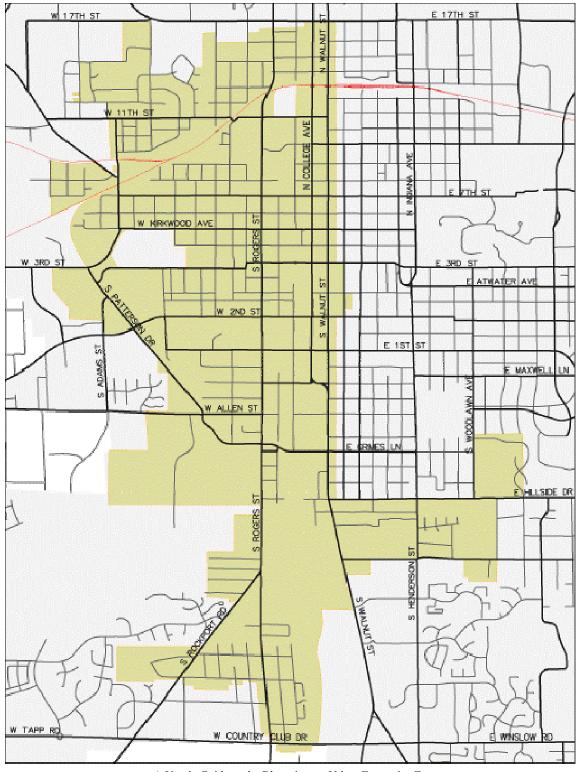
To apply, submit an application, along with proof of residency, and a course description from the agency/educational institution/organization delivering the class, to the BUEA for review. The Board of Directors allots limited funding to this program, so applicants will be approved or denied on a first-come, first-served basis, until all allotted funding has been spent. Approved applicants will be notified by mail within ten days of receipt the application and payment will be made directly to the institution providing the class.

A User's Guide to the Bloomington Urban Enterprise Zone



# Zone Map

Below is a map of the Bloomington Urban Enterprise. The page that follows provides a list of all addresses that fall within the Zone.



A User's Guide to the Bloomington Urban Enterprise Zone

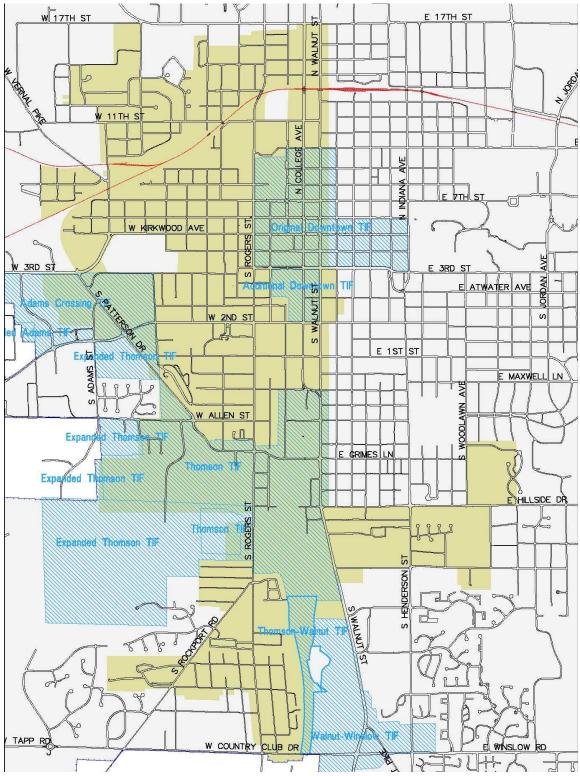


C4	Cturent manne	C4===4 #		Cture at manne	C4===4 #		Ctus at many a
Street # 100-1099 ALL	Street name W 1 <sup>ST</sup> ST	Street # 298-499	ALL	Street name W COUNTRY CLUB DR	Street # 100-599	ALL	Street name S MAPLE ST
100-1099 ALL 100-112 ALL	E 1 <sup>ST</sup> ST	600-699	ALL	W COUNTRY CLUB DR W CURVE ST	1-126	ALL	MAPLE COURT
100-112 ALL	W 2 <sup>ND</sup> ST	500-599	ALL	W DAVIS ST	20	/ (	MOBILE HOME
1200-1212 EVEN		104	ALL	E DAVIS ST			COMMUNITY
100-115 ALL	E 2 <sup>ND</sup> ST	300-499	ALL	S DAVISON ST	400-599	ALL	E MELROSE AVE
100-918 ALL	W 3 <sup>RD</sup> ST	600-799	ALL	N DIAMOND ST	100,121,122		E MILLER DR
925-1201 ODD		500-899	ALL	W DIXIE ST	333-801	ODD	
1245-1301 ALL 112-116 ALL	E 3 <sup>RD</sup> ST	107 100-899	ALL ALL	E DIXIE ST W DODDS ST	802-999 1300-1499	ALL ALL	S MLTON DR
100-914 ALL	W 4 <sup>TH</sup> ST	400-499	ALL	W DODDS ST W DRISCOLL DR	2300-1499	ALL	S IVILTON DR
916-930 EVEN	W + 31	103	ALL	E DRISCOLL DR	1300-1424	ALL	S MONON DR
100-1499 ALL	W 6 <sup>TH</sup> ST	500-699	ALL	W DUNCAN DR	600-803	ALL	N MONROE ST
100-112 ALL	E 6 <sup>TH</sup> ST	1000-1199	ALL	N DYER DR	904-1099	ALL	
100-1699 ALL	W 7 <sup>TH</sup> ST	100-499	ALL	N ELM ST	1100-1399	ODD	
125 ALL	E 7 <sup>TH</sup> ST W 8 <sup>TH</sup> ST	100-198	EVEN	S ELM ST	600-799	ALL	E MOODY DR
100-299 ALL 400-1699 ALL	W 8 S1	300-599 100-199	ALL ALL	S EUCLID AVE N FAIRVIEW ST	100-699 300-1199	ALL ALL	N MORTON ST S MORTON ST
100-199 ALL	E 8 <sup>TH</sup> ST	300-999	ALL	N FAIRVIEW 31	2-85	ALL	NICHOLSON'S
100-299 ALL	W 9 <sup>™</sup> ST	100-499	ALL	S FAIRVIEW ST	2 00	/\LL	MOBILE HOME VILLA
600-1199 ALL		700-1199	ALL		100-299	ALL	N OAK ST
100-199 ALL	E 9 <sup>TH</sup> _ST	2300-2499	ALL	S FORD AVE	400-499	ALL	
100-499 ALL	W 10 <sup>TH</sup> ST	100-199	ALL	S GENTRY ST	800-1099	ALL	W ORRIS DR
700-799 ALL		100-599,609		W GRAHAM DR	600-799	ALL	N ORRIS DR
1000-1299 ALL	E 10 <sup>TH</sup> ST	613,705,707 711,800-999			1700-1799	ALL	S PARK AVE
111 ALL 100-350 ALL	W 11 <sup>TH</sup> ST	711,800-998 2500	ALL		300-599 600-1099	ALL ODD	S PATTERSON DR
350-499 ODD	W 11 31	1500-1599	ALL	S GRANT ST	1100-1400	ALL	
500-1399 ALL		1600-1699	ALL	S GREYSTONE CT	100-299	ALL	N PINE ST
600-899 ALL	W 12 <sup>TH</sup> ST	100-499	ALL	W GRIMES LN	1600-1799	ALL	S PINESTONE CT
1000-1400 ALL		104	ALL	E GRIMES LN	400-599	ALL	W PROSPECT ST
1406-1600 EVEN	aTH a=	600-635	ALL	W GUY AVE	500-511	ALL	W RALSTON DR
400-899 ALL	W 13 <sup>TH</sup> ST	1400-1499	ALL	W HABITAT ST	100-299	ALL	N RITTER ST
1200-1499 ALL 100-399 ALL	W 14 <sup>TH</sup> ST	1100-1399 300-499	ALL ALL	N HANCOCK DR N HAY ST	2000-2199 2201-2499	ODD	S ROCKPORT RD
100-399 ALL 1000-1099 ODD	W 14 31	500-599	ALL	W HAYS CT	2201-2499		
1100-1199 ALL		1500-1897	ALL	S HENDERSON ST	2500-2519		
100-104 ALL	E 14 <sup>TH</sup> ST	1899	ALL		100-799	ALL	N ROGERS ST
100-799 ALL	W 15 <sup>™</sup> ST	100-499	ALL	W HILLSIDE DR	900-1099	ALL	
1200-1499 ODD	TU	100-107	ALL	E HILLSIDE DR	100-2799	ALL	S ROGERS ST
100-103 ALL	E 15 <sup>TH</sup> ST	108-898	EVEN		100-1099	ALL	W SMITH AVE
300-599 ALL 1100-1199 ALL	W 16 <sup>TH</sup> ST	900-1099 1101-1199	ALL ODD		100-199 200-220	ALL EVEN	E SMITH AVE
100-1199 ALL 100-103 ALL	E 16 <sup>TH</sup> ST	100-1199	ALL	N HOPEWELL ST	100-599	ALL	E SOUTHERN DR
100-201 ODD	W 17 <sup>™</sup> ST	300-499	ALL	WHO! EWELE O!	100-199	ALL	W SOUTHERN DR
1111,1211,1305	-	300-1099	ALL	W HOWE ST	200-498	EVEN	N SPRING ST
100-199 ODD	E 17 <sup>TH</sup> ST	1500-1799	<b>EVEN</b>	S HUNTINGTON DR	1100-1500	ALL	S. STRONG DR
821-906 ALL	W 12 <sup>TH</sup> CT	1800-1899	ALL	SHUNTINGTON	600-699	ALL	N SUMMIT ST
821-828 ALL	W 13 <sup>TH</sup> CT	4400 4400		GARDENS PLACE	900-1099	ALL	E THORNTON DD
100-400 ALL 402-598 EVEN	N ADAMS ST	1400-1499 800-899	ALL EVEN	W ILLINOIS CT N ILLINOIS ST	600-899 1600-1699	ALL ALL	E THORNTON DR S TROY CT
600-699 ALL		900-1199	ALL	N ILLINOIS ST	1000-1039	ALL	E VERMILYA AVE
100-299 ALL	S ADAMS ST	100-299	ALL	N JACKSON ST	1301-1317	ODD	W VERNAL PIKE
550,545,575		400-499	ALL		100-399	ALL	N WALDRON ST
600-699 ALL	N ALEXANDER ST	800-1099	ALL		100-199	ALL	S WALDRON ST
100-299 ALL	W ALLEN ST	1106-1110	EVEN		300-799	ALL	S WALKER ST
400-1201 ALL	EALLENGT	100-399 2200-2299	ALL	S JACKSON ST	100-1915 100-1399	ALL	NI MALAULT OT
102 ALL 2501-2503 ALL	E ALLEN ST S BANTA AVE	2200-2299 300-499	ALL ALL	S JEAN ST W JED ST	100-1399	ALL ALL	N WALNUT ST S WALNUT ST
800-910 ALL	N BLAIR AVE	400-499	ALL	N JOHN ST	300-398	EVEN	S WASHINGTON ST
911-1009 ODD		400-499	ALL	W JOY ST	400-423	ALL	0 117 101 111 10 1 0 1 1 0 1
1100-1212 ALL	W BLOOMFIELD RD	2600-2699	ALL	S KENDALL DR	424-498	<b>EVEN</b>	
2400-2499 ALL	S BROADVIEW DR	300-399	ALL	W KENWOOD DR	300-499	ALL	W WATSON ST
2200-2499 ALL	S BROWN AVE	100-999	ALL	W KIRKWOOD AVE	1100-1180		S WEATHERSTONE LN
2300-2699 ALL	S BRYAN ST	1000-1298 1300-1599	EVEN		1345-1444	ALL	
300-399 ALL 1600-1799 ALL	S BUCKNER ST S BUFFSTONE CT	100-111	ALL ALL	E KIRKWOOD AVE	1470-1476 400-499	ALL	N WILLIAM ST
300-399 ALL	S BUCKNER ST	100-111	ALL	W KISSELL DR	400-499	ALL	W WILSON ST
2500-2599 ALL	S CAMDEN DR	800-1118	EVEN	N LINDBERGH DR	100-104	ALL	E WILSON ST
200-299 ALL	W CARPENTER DR	919, 919 ½	ALL		900-1327	ALL	N WOODBURN AVE
1200-2599 ALL	W CENTRAL ST	100-299	ALL	N MADISON ST	1100-1499	ODD	S WOODLAWN AVE
500-899 ALL	W CHAMBERS DR	800-1224	ALL	O MADIOCHI OT	500-899	ALL	W WYLIE ST
600-899 ALL	W CHEROKEE DR	100-599	ALL	S MADISON ST	100-109	ALL	E WYLIE ST
1100-1199 ALL 100-1399 ALL	E COBBLEFIELD CT N COLLEGE AVE	800-1300 1400-1499	ALL ALL				
100-1399 ALL 100-875 ALL	S COLLEGE AVE	2300-2799	ALL				
1500-1699 ALL		100-499	ALL	N MAPLE ST	UPDATED:	3/2007	
300-999 ALL	W COOLIDGE DR	600-999	ALL				
900-1299 ALL	WCOTTAGE GROVE AVE	1200-1230	ALL				
100-108 ALL	E COTTAGE GROVE AVE	1231-1311	ODD				
	·			•			



# Zone and TIF Map

Below is a map of the Bloomington Urban Enterprise Zone and TIF districts.



A User's Guide to the Bloomington Urban Enterprise Zone



# ENTERPRISE ZONE BUSINESS REGISTRATION (EZB-R) – FOR CALENDAR YEAR 2007

State Form 50469 (R5 / 10-07)
Approved by State Board of Accounts, 2007
Indiana Economic Development Corporation (IEDC)

ORIGINAL – IEDC COPY – Send to local UEA COPY – Keep For Your Records

#### PLEASE PRINT LEGIBLY OR TYPE

A zone business that accesses at least one (1) tax credit or exemption shall submit to the IEDC this verified summary of the amount of the tax credits and exemptions claimed by the business in 2007 POSTMARKED NO LATER THAN JUNE 1, 2008. If a zone business cannot comply with this date, it must apply for an extension to the IEDC utilizing the approved EZB-E form POSTMARKED NO LATER THAN JUNE 1, 2008. If an extension is approved, this EZB-R registration form and fees must be submitted POSTMARKED NO LATER THAN JULY 15, 2008.

THE INFORMATION ON THIS FORM IS CONFIRST TIME FILING	NFIDENTIAL ACCORDING TO IC 5-28-15-8  ☐ Yes ☐ No	
PART I - GENERAL INFORMATION (Please com		
1 N	± **	
0 3 5 11 4 1 1		
3. City, State, ZIP code		*
4. Telephone Number		
5. Zone Street Address, City and ZIP code		
6. Social Security Number or Federal Identifica	ation Number	
7. Legal Business Form ( <i>check one</i> ):	adoli Nullibei	
"C" Corporation	☐ "S" Corporation ☐ Partnership	☐ Sole Proprietorship
	S Corporation Partitership	☐ Sole Prophetorship
8. Average Level of Employment at the Zone I	Location During Calendar Year 2007	<del></del>
9. Average Level of Employment of Zone Resi	dents at the Zone Location During Calendar Year 2007	<u>21</u> <u>22</u>
10. Total Wages and Salaries at the Zone Locati	on During Calendar Year 2007	<del></del>
11. Total Wages and Salaries of Your Zone Resi	ident Employees During Calendar Year 2007	<u> </u>
	yee Certificates (IT-40QEC) Issued for the Calendar Year	<del>5</del>
13. Total New Jobs Created at the Zone Location		
14. Total New Jobs Filled by Zone Residents Du	ıring Calendar Year 2007	W 70
PART II – TAX SAVINGS SUMMARY		
15. Total Enterprise Zone Investment Deduction	1	
16. Total Employment Expense Credit (from Par		5.
17. Total Loan Interest Credit (from Schedule L		=======================================
17. Total Loan Interest Credit (from Schedule L	ic, Auadi Copy)	<u> </u>
18. Total Tax Savings (sum of Lines 15 through	gh 17)	<u> </u>
PART III – REGISTRATION FEE AND ELIGIBIL	ITV	
19. Registration Fee \$		the total on Line 10 his Al) and remit the
	_ (If the total on Line 18, Part II, exceeds \$1,000, multiply t	ne total on Line 15 by .01) and femili the
registration fee with the original EZB-R form to:		COLUMN CHE NORTH OF PETOL CHEET
	ORPORATION, INDIANA ENTERPRISE ZONE PRO	
	7, a zone business is required by law to use all its tax-saving	
	n to the registration fee paid under (a)(4) of IC 5-28-15-5, e	
	ciation in an amount determined by the legislative body of	
	terprise association, the legislative body of the municipali	
ordinance disqualifying a zone business from eliq	gibility for all credits or incentives available to zone busines	ses.
20. Financial Compliance to the local Urban Ente	ernrise Association	\$
21. New Capital Investment in Enterprise Zone f		<u> </u>
A. Building Renovation or Imp		ent \$
22. Total Increased Zone Resident Employee Wa	ages and Salaries or Other Compensation for 2007 Calendar	Year \$
23. Total: (Sum of Lines 19, 20, 21A, 21B, and	22)	\$
	exceed the amount in Part II, Line 18 to avoid disqualifi	
A SECOND CONTRACTOR OF THE PROPERTY OF THE PRO	exceed the amount in Part II, Line 18 to avoid disqualif	cation from engionity of enterprise zone
incentives.)		
Under penalties of periury. I declare that I have exar	nined this form, including accompanying schedules, and to	the best of my knowledge and belief it is true
correct, and complete.		are concernity into more go and content, 1010 at 900,
Signature of Corporate/Firm Officer	T:4 -	Determinate to the second
alguature of Corporate/Firm Officer	Title	Date (month, day, year)
	-	
Printed Name of Corporate/Firm Officer	Address of Preparer (number and street, city, sta	ite, and ZIP code)
Signature of Preparer	Printed Name of Preparer	Telephone Number of Preparer

#### **EZB-R Instructions**

#### Part I General Information

Line 7:

Line 1:	Enter legal name of the business.
Line 2:	Enter the mailing address of the business.
Line 3:	Enter the city, state and ZIP code of the business.
Line 4:	Enter the business telephone and fax number (including area code).
Line 5:	Enter the address of the business location in the enterprise zone or inventory location.
Line 6:	Enter the Social Security number or the federal identification number of the business.

Check the appropriate organizational form of the business.

Line 8: List the total number of employees at the zone location on the 15th day of each month, add the column, divide by 12 and enter the number on line 8.

#### Example for line 8:

Date	Employees
January 15	30
February 15	30
March 15	30
April 15	30
May 15	30
June 15	45
July 15	45
August 15	45
September 15	25
October 15	25
November 15	30
December 15	30
Year Total	395

 $395 \div 12 = 32.9$  Enter 32.9 on line 8

Line 9:	List the total number of zone residents employed at the zone location on the 15th day of each month, divide the resulting figure by 12
	and enter the number on line 9 (see example in line 8 instructions). Every participating business must complete this line, even if
	your business does not utilize the hiring tax credits.

Line 10:	Enter the total of all wages	and salaries paid at the zone	location for the calendar ve	ear for which you are filing.
	THE COURT OF THE C	arrow or carretters. Present are arrested to		om rer winder Jees out a rining.

Line 11: Enter the total wages and salaries paid to zone resident employees at the zone location for the calendar year for which you are filing.

Line 12: Enter the total number of Enterprise Zone Qualified Employee Certificates (IT-40QEC) issued for the calendar year for which you are

filing

Line 13: Enter the total number of new jobs created at the zone location during the calendar year for which you are filing.

Line 14: Enter the total number of new jobs filled by zone residents during the calendar year for which you are filing.

#### Part II Tax Savings Summary

If you are a new business or have no tax savings to report for the calendar year for which this form applies, please skip to Part III of this form.

Line 15:	Enter the total Enterprise Zone Investment Deduction.
Line 16:	Enter the employment expense credit amount from Schedule EZ.
Line 17:	Enter the loan interest credit amount from Schedule LIC.
Line 18:	Add the amounts in Lines 15-17 and enter amount.

#### Part III Registration Fee and Eligibility

Line 19:	If the total on line 18, Part II exceeds \$1,000, multiply the amount by .01 and enter that amount on this line. If a zone business receives
	tax-saving incentives in excess of \$1,000 in any year, the business MUST pay an annual registration fee of one percent (1%) of its tax
	savings to the INDIANA ECONOMIC DEVELOPMENT CORPORATION, or be denied credits and incentives, and disqualified from
	further participation according to IC 5-28-15-7. REMIT THE AMOUNT ON THIS LINE WITH THE ORIGINAL EZB-R TO:
	INDIANA ECONOMIC DEVELOPMENT CORPORATION, One North Capitol, Suite 700, Indianapolis, IN 46204-2288.
	You must still submit an EZB-R even if your business does not owe a registration fee!

Line 20: Multiply the amount on line 18, Part II of this form by the local UEA rate and enter that amount on this line (please contact the local

UEA to determine the rate). REMIT THE AMOUNT ON THIS LINE TO THE LOCAL UEA WITH A COPY OF THIS EZB-R.

Line 21: New Capital Investment for the Calendar Year

A. Enter the total dollar amount spent in the calendar year for zone business renovation and improvements at the zone location.

B. Enter the total dollar amount spent in the calendar year for new equipment at the zone location.

Line 22: Enter the amount of zone resident employee wages for the calendar year that exceeds each taxpayer's base period qualified wages

AND/OR the total dollar amount spent on employee training.

Line 23: Add lines 19, 20, 21A, 21B, and 22 enter that amount on this line.

#### Signature Lines

Corporate/firm officer must sign this form and print name below written signature. <u>Failure to sign and print name and title may delay processing and may result in your form being returned to you.</u> If someone other than the corporate/firm officer prepared this form, their name, signature, address and phone number are required.

#### **ENTERPRISE ZONE BUSINESS REGISTRATION (EZB-R)**

#### **GENERAL EZB-R QUESTIONS**

Who should file the EZB-R?: Any zone business or entity that claims any of the incentives available to zone businesses must submit to the Indiana Economic Development Corporation (IEDC) a verified summary of the amount of tax credits and exemptions claimed by the business in the preceding year. Failure to file an EZB-R while claiming an exemption or credit will result in denial of the tax credits and exemptions available and disqualification from further participation in the enterprise zone program.

<u>When should the EZB-R be filed?</u>: Any entity that accesses one or more Enterprise Zone tax incentives is required to file a registration form with the IEDC **postmarked no later than June 1 of each year**. This means that forms must be postmarked by the post office, **not meter-dated or faxed**.

What if a business cannot meet the June 1 filing deadline?: If the June 1 date cannot be met, the extension form should be filed to provide additional time to complete the registration form. The registration extension form (EZB-E) is due **postmarked no later than June 1**. The IEDC may approve an extension time of up to 45 days. (If approved, the EZB-E will be returned with "APPROVED" stamped on it. Please attach an approved EZB-E to the EZB-R.)

What if I miss the June 1 deadline to file an extension?: If a business misses the June 1 deadline to file an extension, the business has 45 days to submit the EZB-R form AND pay a 15% penalty to the IEDC. The 15% penalty is based on the total tax savings of the business for the tax year.

What if I do not know what my tax savings is by June 1<sup>st</sup> or July 15<sup>th</sup>?: If the business does not know their tax savings by June 1, they should file an extension (EZB-E) by June 1, which will enable them to file the EZB-R form by July 15. If the business still will not know the tax savings by July 15, an EZB-R form is still due by July 15; however, the form will be incomplete. As soon as the tax savings amount is known, the business must submit a complete EZB-R form (and if applicable) send a check for 1 percent of the tax savings to the IEDC.

What if a business has several locations?: A separate form is required for each zone business or entity claiming an exemption or credit. If the business has more than one location or subsidiary, a separate registration form must be filed for each business location.

Who should receive the EZB-R form?: The revised EZB-R is a single form with instructions on the reverse side. The original form (with the original signatures) must be sent to the IEDC. The original form should be accompanied with a registration fee (if tax savings are greater than \$1,000). The registration fee is equaled to a zone business' total tax savings multiplied by 0.01. In addition, a copy must be mailed to the local Urban Enterprise Association along with the contribution check in accordance with the rate set by the city council of a particular zone. This contribution is separate from an in addition to the registration fee that is sent to the IEDC. Please contact your local UEA to obtain information about its contribution rate. Finally, the participating business should keep one copy of the EZB-R for their records.

#### Please note the following:

- Any information omissions on the registration form may delay processing.
- · A corporate or firm officer must sign the registration form.
- The registration fee **must** accompany the registration form.
- If the EZB-R is returned for completion, omission of check, or correction, the business has 45 days in which to return the corrected EZB-R.







PRIVACY NOTICE: THE RECORDS IN THIS SERIES ARE CONFIDENTIAL ACCORDING TO IC 6-1.1-35-9.

#### INSTRUCTIONS:

Year 10

This form is to be filed with the auditor of the county in which property is located on the assessment date [IC 6-1.1-45-10(a)].

This form is to be filed between March 1, and May 15, of the assessment year to obtain the deduction. State Law does not allow for late filings or extensions

This form may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing [IC 6-1.1-45-10(a)].

If this form includes a deduction claim for personal property, a copy of the current assessment year Business Tangible Personal Property Assessment return (Form 102 or 103) must be attached.

County auditor must notify the applicant of the above determination before August 15, of the assessment year.

If the applicant is in disagreement with county auditor's determination, the applicant may appeal for a review of the determination by filing a complaint in the office of the clerk of the circuit or superior court not later than forty-five (45) days after the county auditor gives the applicant notice of the determination.

PROPERTY DESCRIPTION					
Name of taxpayer		Federal identification numb	per		
Address of taxpayer (number and str	eet, city, state, and ZIP code)				
Address of property (number and str	eet, city, state, and ZIP code)				
DLGF Taxing District number	Township	County	Date of assessment		
			March 1, 20		

1	2	3	4	5	6
PROPERTY CLASS	TYPE OF QUALIFIED INVESTMENT	BASE YEAR	BASE YEAR ASSESSED VALUE	FIRST YEAR ASSESSED VALUE <sup>1</sup>	AMOUNT OF DEDUCTION <sup>2</sup> (Column 5 - Column 4)
Real property	Purchase of an existing building				
Real property	Construction of a new building				
Real property	Repair/rehabilitation/modernization of existing building				
Real property	Onsite infrastructure improvement				
Personal property	Purchase of new manufacturing or production equipment				
Personal property	Retooling of existing machinery				
To be completed by to	wnship assessor.		CURRENT Y	'EAR DEDUCTION' =	

This deduction amount will stay the same for a ten (10) year period.

TOTAL DEDUCTION CLAIMED =

	SCHEDULE B - To be completed each year a deduction is claimed.						
	ASSESSMENT YEAR	AMOUNT OF DEDUCTION (from Schedule A)	SOURCE				
Year 1			Schedule A from this form				
Year 2			Schedule A from one (1) year ago				
Year 3			Schedule A from two (2) years ago				
Year 4			Schedule A from three (3) years ago				
Year 5			Schedule A from four (4) years ago	2			
Year 6			Schedule A from five (5) years ago				
Year 7			Schedule A from six (6) years ago				
Year 8			Schedule A from seven (7) years ago				
Year 9			Schedule A from eight (8) years ago				
Year 10			Schedule A from nine (9) years ago				

	CERTIFICATION STATEMENT	
I hereby certify that the above named taxpayer is liable for (1) on the indicated assessment date, the property was in an investment deduction pursuant to IC 6-1.1-45.	property taxes at the above listed location of an enterprise zone designated by the Ente	rprise Zone Board and (2) the property is entitled to
Authorized signature of owner or representative		Date signed (month, day, year)
Printed name of signatory	Title	Telephone number
Full mailing address of owner or representative (number and street,	city, state, and ZIP code)	

I, Auditor of the county named below, hereby cer	NOT WRITE HERE - FOR USE BY COUNTY AUDITO	
this application, do hereby make the following d		Date filed (month, day, year)
Signature of County Auditor	County	Bate filed (Month, day, year)
Approved amount of assessed value deduction	for March 1, 20, payable in 20:	Amount
	ENIED PARTIALLY OR IN TOTAL, AUDITOR MUST	COMPLETE THIS SECTION
If approved amount is different than amount claimed of	on Schedule B on the front of this form, explain.	
. If approved amount is unterent than amount damed o	of conceded B of the noncestallouring expression	
. II approved amount is different than amount damod e	on Corlection Branch and Control Control	
. II approved amount is different than amount outmode	on Concedio B on the north of the term, expension	
. II approved amount is different than amount odiffied o	on Concount D on the north of the term, expense	
. II approved amount is different than amount outlined o	To Concedure B on the north of the term, expension	
. II approved amount is different than amount outlined o		
. II approved amount is different than amount damed e		

☐ Application was not timely filed in accordance with instruction 2 above.☐ Business is not located within established enterprise zone boundary.

☐ Other (explain) \_

## Indiana Schedule EZ 1, 2, 3 Instructions For Tax Years 2007-2010

#### **General Information**

Taxpayers doing business within an enterprise zone and remaining in good standing with the Indiana Economic Development Corporation (IEDC) may qualify for an adjusted gross income or financial institution tax credit. Use EZ schedules to determine the amount of income tax liability credit for qualified employment expense.

Part 1 A & B - Taxpayers with any business activity or income derived from sources both within and outside an enterprise zone may be required to allocate and apportion their income. Use designated Part 1A of Schedule EZ to determine the apportionment percentage for enterprise zone income. Note: A taxpayer is exempt from the allocation and apportionment provision if it:

- (1) Does not own, rent, or lease real property outside of an enterprise zone that is an integral part of its trade or business; and
- (2) Is not owned or controlled directly or indirectly by a taxpayer that owns, rents or leases real property outside of an enterprise zone.

In such cases the taxpayer will attribute all income to the zone.

**Part 2** - Use Part 2 of Schedule EZ to determine the tax credit for qualified increased enterprise zone employment expenditures. If the calculated employment expense credit exceeds the qualified state tax liability you also must complete Part 3.

Part 3 - Use Part 3 of Schedule EZ to claim a carryover of employment expense credit and to record the remaining amount of unused credit.

The certification at the bottom of Part 1B must be signed by any taxpayer using either Part 1 or Part 2 of the schedule. Taxpayers doing business in more than one enterprise zone should complete a separate schedule for each zone if there are different base years. Refer to the detailed instructions for each part. For more information, see Income Tax Information Bulletin #66.

# Part 1A-Apportioned Enterprise Zone Adjusted Gross Income for Employment Expense Tax Credit

If the income of a taxpayer is derived from sources both within and outside an enterprise zone, the adjusted gross income attributed to the zone must be determined by use of an apportionment formula unless written permission from the Department of Revenue is granted or the statute exempts the taxpayer.

Line 1 (a)(b)(c)(d)(e) -Property Factor: The property factor is a fraction. The numerator is the average value during the tax year of real and tangible personal property within the zone (including rental property), and the denominator is the average value during the tax year of such property everywhere. Property owned by the taxpayer is valued at its original cost. Property rented by the taxpayer is valued at eight times the net annual rental rate, less any annual rental received by the taxpayer from sub-rentals. The average value of property will be determined by averaging the values of the beginning and the end of the tax period. If the values have fluctuated, the averaging of monthly values may be necessary to properly reflect the average value of the property factor for the tax period. Attach a schedule showing how these average values were computed.

**Total Property Factor:** Divide property value total of column A by column B and enter as a percent on line 1 of column C.

Line 2 - Payroll Factor: The payroll factor is a fraction. The nu-

merator is the total wages, salaries, and other compensation paid to employees for services rendered the business in the zone, and the denominator is the total of such compensation for services rendered the business everywhere. Compensation is paid in a zone if (a) the individual's service is performed entirely within the zone; (b) the individual's service is performed both within and outside the zone, but the service performed outside the zone is incidental to the individual's service within the zone; (c) some of the service is performed in the zone and

- (1) The base of operations or, if there is no base of operations, the place from which the service is directed or controlled is in the enterprise zone, or
- (2) the individual's residence is in the enterprise zone. Payments to independent contractors and others not classified as employees are not included in the factor.

**Total Payroll Value:** Divide payroll value total of column A by column B and enter as a percent on line 2 of column C.

Line 3 (a) (b) (c) (d) - Receipts Factor: The gross receipt's factor is a fraction. The numerator is the total receipts of the taxpayer in the zone during the tax year, and the denominator is the total receipts of the taxpayer everywhere during the tax year. The numerator of the receipt's factor must include all sales made in the zone, sales made from the zone to the U.S. government and sales made from the zone to a state which does not have jurisdiction to tax the activities of the seller.

For purposes of the employment expense credit the numerator will also contain intangible income attributed to Indiana including interest from consumer and commercial loans, installment sales contracts and credit / debit cards as prescribed under Indiana Code (IC) 6-3-2-2.2.

Total receipts include gross sales of real and tangible personal property less returns and allowances. Sales of tangible personal property are in a zone if the property is delivered or shipped to a purchaser within the zone regardless of the f.o.b. point or other conditions of sale; or the property is shipped from an office, store, warehouse, factory, or other place of storage in a zone, and the taxpayer is not taxable in the state of the purchaser.

Sales or receipts not specifically assigned above will be assigned as follows:

- (1) Gross receipts from the sale, rental, or leases of real property are in a zone if the real property is in the zone,
- (2) Gross receipts from the rental, lease, or licensing the use of tangible personal property are in a zone if the property is in the zone. If the property was both within and outside the zone during the tax year, the gross receipts are considered in the zone to the extent the property was used in the zone.
- (3) Gross receipts from intangible personal property are in a zone if the taxpayer's commercial domicile is in the

- zone and such property has not acquired a business situs elsewhere, and
- (4) Gross receipts from the performance of services are in a zone if the services are performed in the zone. If such services are performed partly within and partly outside the zone, part of the gross receipts from performance of the services will be attributed to the zone based upon the ratio of direct costs incurred in the zone to the total direct costs of the services, unless the taxpayer can directly attribute the service to the zone.

Sales to the United States Government: The United States government is the purchaser when it makes direct payment to the seller. A sale to the United States government of tangible personal property is in a zone if it is shipped from an office, store, warehouse, or other place of storage in the zone. Refer to the previous guidelines for sales other than tangible personal property if such sales are made to the United States government.

**Total Receipts**: Add receipts factor lines (a) through (d). Also enter receipts everywhere in Column B.

**Adjusted Receipts Percent Within Zone:** Divide receipt total in column A by the total from column B.

Enter the quotient in the space provided and multiply this amount by the one of the following factor value that is in effect during the four-year phase-in period:

- Factor of 3 for taxable years beginning after December 31, 2006 and before January 1, 2008;
- Factor of **4.67** for taxable years beginning after December 31, 2007 and before January 1, 2009;
- Factor of **8** for taxable years beginning after December 31, 2008 and before January 1, 2010:
- Factor of **18** for taxable years beginning after December 31, 2009 and before January 1, 2011.

Enter the result in line 3 of column C.

**Line 4 - Total Percent:** Add entries from lines 1, 2 and 3 of column C. Enter the sum.

Line 5 - Apportionment Percentage: To determine the apportionment percentage of enterprise zone income, for purposes of the employment expense, the total value of the denominator for tax periods beginning after December 31, 2006 varies according to the following phase-in schedule:

- For a tax period that begins in 2007, divide line 4 by 5;
- For a tax period that begins in 2008, divide line 4 by 6.67;
- For a tax period that begins in 2009, divide line 4 by 10;
- For a tax period that begins in 2010, divide line 4 by 20.

The payroll and property factors are each valued as a total factor of one in the apportionment formula. In instances in which there is a total absence of one of these factors (e.g. no payroll anywhere) divide the sum of the percentages by the number of the remaining factor values present in the apportionment formula.

**Examples:** In the case of a taxpayer that lacks either the payroll or property factor in the three-factor formula, the taxpayer's business income will be apportioned by use the remaining factor or factors. For 2007, divide line 4 by four (4). The denominator is the remain-

ing value of the payroll (1) or property (1) factor plus the value of the receipts (3) factor for 2007.

If both the payroll and property factors are absent divide line 4 by three (3) for 2007. This denominator is the value of the receipts factor.

If the receipts factor (line 3) is absent (e.g., for a start-up company) you must divide line 4 by two (2). The denominator is the total value of the payroll and property factors for 2007.

# Part 1 B - Allocated Non-business Enterprise Zone Income for Employment Expense Tax Credit

Complete this part if you are apportioning gross receipts and are excluding any income that is considered non-business income.

Lines (1) and (2): Interest (long-term) and dividends from nonbusiness sources are allocable to an enterprise zone if the taxpayer's commercial domicile is in the zone. Dividends from foreign sales corporations (FSC or DISC) are treated as business income and must be apportioned.

Line (3): Net capital gains or losses (sales price less acquisition cost) from the sale of non-business personal property are allocated to an enterprise zone if the property had its primary business location in the zone at the time of the sale, or the taxpayer's commercial domicile is in the zone. Include net capital gain or loss from the sale or exchange of all real property located in an enterprise zone not used in the production of business income.

Line (4): Rents and royalties from tangible personal property are allocated to an enterprise zone if the property is located in the zone and is non-business related.

Gross rents and royalties from non-business related tangible personal properties are allocated to an enterprise zone to the extent the property is located or utilized in the zone.

- (a) The extent of utilization is determined by multiplying the rents and royalties by a fraction. The numerator is the number of days of physical location of the property in the zone during the rental or royalty periods in the tax year. The denominator is the number of days of physical location of the property everywhere during the rental or royalty periods in the tax year.
- (b) Such rents and royalties are wholly allocated to an enterprise zone if the taxpayer's commercial domicile is in the zone.

Line (5): Patents and copyrights and royalties from intangible property not related to the production of business income are allocated to an enterprise zone to the extent they are utilized by the taxpayer in the zone, or the taxpayer's commercial domicile is in the enterprise zone.

A patent is utilized in a zone to the extent the taxpayer employs it in production or other processing in the zone or produces a patented product in the zone.

A copyright is utilized in a zone to the extent printing or other publication originated in the zone.

Line (6): Other non-business income: Add other non-business income not provided for in lines 1 through 5. Explain other non-business income on a separate schedule and attach to the return.

Line (7): Enter in column A apportioned Indiana income, as modified, from Form IT-65 Schedule IN K-1, and any portion of tiered partnership income attributed to the zone. Enter in column B the total non-unitary partnership and tiered partnership income reported on the federal return.

Line (8): Enter all related non-business expenses other than state income taxes.

Line (9): Net non-business and non-unitary partnership income or loss: Add lines 1 through 7, subtract line 8 for each column.

# Part 2 – Enterprise Zone Employment Expense Tax Credit Calculation

IC 6-3-3-10 provides a tax liability credit to certain enterprise zone employers. The credit is the lesser of 10 percent of the increase in wages paid to qualified employees or \$1,500 multiplied by the number of qualified employees. A qualified employee is an individual who:

- (1) Has a principal place of residence in the enterprise zone in which he or she is employed,
- (2) Performs services of which 90% are directly related to the conduct of the taxpayer's trade or business located in an enterprise zone,
- (3) Performs at least 50% of his or her service for the taxpayer in the zone, and
- (4) In the case of an individual who is employed by a taxpayer that is a pass-through entity, was first employed by the taxpayer after December 31, 1998.

Except for employers who are defined as "pass-through entities" an increase in wages is determined by subtracting wages paid to employees that could qualify in the base year from wages paid to qualified employees in the current tax year. The base year is the 12-month period immediately preceding the month in which an enterprise zone is established. Divide the annual base period qualified EZ employee wages by 12 to find the monthly base period wages.

Taxpayers whose tax years do not coincide with the designation of an enterprise zone must prorate their qualified wages for the period after designation. For the year in which an enterprise zone is designated, fiscal year taxpayers should prorate their qualified wages.

Enterprize Zone	Base Year
Bedford	12-months preceding Feb. 1, 1993
Bloomington	12-months preceding Feb. 1, 1992
Connersville	1994
East Chicago	1988
Elkhart	1998
Evansville	1983
Ft. Harrison Reuse Authority	12-months preceding Dec.1, 1997
Ft. Wayne	1983

Frankfort	2002
Grissom Aeroplex	1995
Hammond	1984
Indianapolis	1989
Jeffersonville	1999
Kokomo	1989
Lafayette	12-months preceding Feb. 1, 1993
La Porte	2001
Marion	1992
Michigan City	1983
Mitchell	2000
New Albany	1999
Richmond	1983
River Ridge Develop- ment Authority	12-months preceding Feb. 1, 1998
Salem	2002
South Bend	1983
Vincennes	2001

Use this list to look up contact information for a particular enterprise zone:

www.in.gov/dor/reference/ez/contact.html

See enterprise zone maps at:

www.in.gov/dor/reference/ez/ezmaplist.html

Qualified state tax liability means each taxpayer's total income or financial institution tax liability incurred under:

- (1) IC 6-3-1 through 6-3-7 (state adjusted gross income tax) with respect to enterprise zone adjusted gross income,
- (2) IC 27-1-18-2 (insurance premiums tax) with respect to enterprise zone insurance premiums, and
- (3) IC 6-5.5 (financial institutions tax) as computed after the application of the credits that, under IC 6-3.1-1-2, are to be applied before this credit.

Pass-through entity means a:

- (1) Corporation that is exempt from adjusted gross income tax under IC 6-3-3-3.8(2),
- (2) Trust
- (3) Limited liability company, or
- (4) Limited liability partnership.

If a pass-through entity is entitled to a credit but does not have a state tax liability against which the tax credit may be applied, an individual who is a shareholder, partner, beneficiary, or member of the pass through entity is entitled to a pro rata share of the computed tax credit.

If the credit exceeds the taxpayer's qualified state tax liability for the taxable year, the taxpayer can carry any excess credit back three years and forward up to ten years until the enterprise zone terminates. **Caution:** An eligible enterprise zone employer for purposes of the employment expense credit cannot be a governmental agency or nonprofit organization (with no unrelated tax liability).

For additional information get Income Tax Information Bulletin 66 at <a href="www.in.gov/dor/reference/bulletins/">www.in.gov/dor/reference/bulletins/</a> Contact the Indiana Economic Development Corporation, One North Capitol, Suite 700, Indianapolis, IN, 46204, by calling (317) 232-8800, or visit their Web site at <a href="www.in.gov/iedc">www.in.gov/iedc</a> for more information.

Line 1: Enter base period year. For a pass-through entity, enter 1999. Enter on line 1a amount of base period wages paid; except for pass-through entities, base period wages will be zero (0). Enter on line 1b amount of wages paid to qualified employees during the current year. However, pass-through entities must enter amount of wages paid to only qualified employees, newly hired since 1999, during the current tax year. Wages paid to otherwise qualified employees who were already employed by the pass-through entity before January 1, 1999 may not be included.

Line 3: Enter figure based on number of qualified employees during the tax year. Caution: Employers who are pass-through entities may count only those qualified employees that were first employed by the entity after December 31, 1998.

Line 6: Taxable income, for purposes of the credit, is federal taxable income (before net operating loss deduction) with all applicable Indiana modifications. However, an S corporation with passive income or built-in gains tax liability must enter amount computed on Schedule B of Form IT-20S. Employers not subject to the apportionment and/or allocation method of computing zone income should disregard lines 7 through 12 and enter Indiana net taxable adjusted gross income from zone sources on lines 6 and 13. Domestic insurance companies paying insurance premium tax, financial institutions and (pass-through entities with no tax liabilities) must enter zero and go on to line 15.

Line 12: Taxpayers whose Indiana adjusted gross income is totally eliminated by a net operating loss deduction will have no enterprise zone adjusted gross income tax and should enter zero on line 14. Taxpayers whose Indiana adjusted gross income is partially offset by a net operating loss deduction must determine the portion of the loss attributable to an enterprise zone source. Separately complete the apportionment Schedule EZ, Part 1 applicable to the loss year. Multiply the remaining net operating loss deduction used in the current year by this percentage and enter the product on line 12 as a positive figure.

**Line 14:** Multiply line 13 by the individual tax rate of three and four-tenths percent with respect to "enterprise zone adjusted gross income." A corporate entity must use the tax rate of eight and one-half percent. **Exception:** If the corporate entity is doing business in a Qualified Military Base Enhancement Area (MBEA), use the applicable tax rate of five percent to the extent that your taxable zone income is from MBEA activity.

Line 15: The entry on this line represents total qualified state tax liability. Taxpayers filing Form IT-20 must enter the amount from line 14. Financial institution taxpayers must enter net financial institution tax due (line 29 of Form FIT-20) reduced by other nonrefundable state tax credits. Domestic insurance companies should enter the portion of premium tax attributed to the enterprise zone.

Line 16: This is the credit available for the current year plus any ap-

plied credit carry over. A pass-through entity without any current year income tax liability may pass-through to each of its members their pro rata share of credit from line 5 plus any unused carry over.

Line 17: When the total credit (on line 5), exceeds the current year qualified state tax liability (on line 15), the taxpayer may carry the excess back and/or forward against computed state income tax liabilities derived from the enterprise zone. Refer to instructions for Part 3.

Note: A taxpayer is not entitled to a refund of any unused credit.

# Part 3 – Employment Expense Tax Credit Carryover for Enterprise Zone Tax Liability

When the enterprise zone employment expense credit exceeds the taxpayer's qualified state tax liability for the tax year, the remaining credit may be carried back three years and applied to each year whether or not a credit is utilized, and/or carried forward up to ten years until the enterprise zone terminates.

The application of the credit, when carried over, must be shown on Schedule EZ, Part 3. A copy of this schedule should be attached to any return on which the taxpayer is applying the credit. A separate schedule should be completed when a credit is available from more than one tax year.

**Note:** Amount of credit applied is generally limited to the qualified state tax liability which is based on the tax on income derived from the enterprise zone.

# Indiana Department of Revenue Schedule EZ 1, 2, 3 (For Tax Years 2007-2010) Tax Year Ending: Month\_\_\_\_\_\_

State Form 49178 (R2/9/07)

Pa	rt 1 A	To Determine Enterpri for Employment Expense	ise Zone Adjusto Fax Credit (Effe	ed Gross Income ctive beginning 2007	)				
Nam	e	,	Federal Identification N						
		d by taxpayers having income from sources both							
		o are not otherwise exempt from the allocation and ermining enterprise zone adjusted gross income.	Column A Total Within the Zone	Column B Total Within and Outside the Zone		Column C Percent Within the Zone			
Av	NO. 10.	erty from the beginning and the end of the tax year sonal property at original cost.)							
(b) (c) (d) (e)	Fully depreciated assets so Inventories, including wo Other tangible personal pro Rented property (8 times	ral tax return (average value for tax year)			1		%		
W: sh:	are of payroll reportable on	and other compensation of employees and pro-rata return.			2		%		
3. Re	eceipts Factor (less returns	and allowances):							
	Sales delivered or shipped (1) Shipped from within	(a) (b)							
(k)	Sales shipped from the zon								
(0,	The United States Ge     A location outside a solicitation of orders	overnment							
(c)	Interest income and other	receipts from extending credit attributed to the zone							
To	tal Receipts: Add column	pts not previously apportioned A, lines 3(a) through 3 (d); enter all receipts in							
Di	ljusted Receipts Percent V vide total receipts, column A lumn B, enter percent within	A by amount in	beginning in 2007; X 8	for tax year beginning in 2009; a for tax year beginning in 2010 f	3	a.	%		
4. To	tal Percent (sum of percent	tages in column C, lines 1,2 and 3):		9) MER (EE) ATIO	4		%		
5. Er Di	nterprise Zone Income App vide total percent on line 4	by: 5 for tax year beginning in 2007; 10 for tax y 6.67 for tax year beginning in 2008; 20 for tax y			5	-	%		
NOTI value.	E: In instances in which the s present in the apportionme	re is a total absence of one of these factors (e.g. no			3 0	of the remaining fac	tor		
30 <u>.</u>	Part 1 B	To Determine Allocate Enterprise Zone Income fo			it				
		of IC 6-3-2-2(g), any income classified as non-bund from sources everywhere.	siness derived	Zone Sources Column A		All Sources Column B			
(1)	Dividends (not from DISC	C or FSC) (excess after dividend deduction)		1 1		Column B	_		
		overnment interest)		2					
20.00		angible personal property	1	3 3 4	_				
(5)	Patents, copyrights, and re	yalties from intangible property		5 5	_				
		e		6					
		from Non-unitary partnerships and tiered partners es for non-business income		7 7 8 8	_				
(9)	Net non-business and non	-unitary partnership/tiered income or loss (Add, li lumn	nes 1 through 7,	9 9					

Schedule EZ 1, 2, 3 continued

Tax	Year	Ending:	
Mon	th	Year	

Pa	rt 2	Enterprise Zone Employme	ent Exp	ense '	Tax Cr	edit Cal	culat	ion	
Nam	e				Federal Ide	ntification Nun	ıber		
India	cate type of income ta Individual Form IT- Corporation Form I		IT-20		*Pass-thro	ugh entities		Partne	p. Form IT-20S* ership Form IT-65* iary Form IT-41*
Loc	ation name of Enterpr	ise Zone(s) or Airport Development Zone		Period ear		Base Period alified Wages		i i	Current Tax Year Qualified Wages
1.	Qualifying wages attri	ibuted to zone (Pass-through entities enter zero on line l	1a)		1a			1b	
2.	Qualified increase (su	btract line 1 a from line 1b)						2	
3.	Multiply line 2 by 109	%(0.10)						3	
4.	2-3: 12/	employees (except for pass through entities, number fir						4	
5.		e 3 or line 4 (This is your current year employment ex						5	
1000									
6.		djusted gross income after Indiana modifications (see insurance premium tax or financial institutions tax, sl			6			Line	
7.		from all sources from Part 1B, line 9 of column B			7				appropriate ortionment
8.	Net taxable business i	income (subtract line 7 from line 6)			8			form	nula in effect for
9.	Apportionment percer	ntage from Part 1A, line 5 for taxable year			9		%	you	taxable year.
10.		ess income (multiply line 8 by line 9)							
11.		ise zone income from Part 1B, line 9 of column A							
12.	NO (MILLO PORE), TELESPACIONAL SERVICE AND A MARKATAN AND A SERVICE OF ■ NO. 10.	perating loss deduction (see instructions)							
13.		e adjusted gross income" (add line 10 and line 11, subtr							
13.		ted gross income tax (multiply line 13 by 3.4%). Corp				(REA)		14	
		and an interpretation fragment with a proposition of a state of the appeter of a section of a section of a section of			Calebratic Rest Control Control Control			14	
15.		d state tax liability: Enter the amount from line 14; the enterprise zone. A pass through entity with no tax liabi						15	
16.	Enter the lesser of lin	e 5 (plus applied carryover credit) or line 15. If line 1	5 exceeds lin	e 5, add yo	our available ı	mused carry over	8		
	(Carry this amount to	years, up to the remaining amount of your qualified sta the appropriate credit entry line on the annual corpor the tax liabilities enter the pro rata share of credit from	rate or indivi	dual incom	e tax return. 1			16	
17.	Unused credit carry ov	ver - If line 5 exceeds line 15, enter the excess here and	d on Part 3					17	
		d this schedule, and to the best of my knowledge a ced for the purpose of relocating the business in an			rrect and con	nplete. I further	certify	that In	diana business activities
Sign	ature		Title					7.	Date
Pa	ert 3 Empl	oyment Expense Tax Credi	t Carr	yover	for En	terprise	Zon	e Ta	x Liability
Y	ear of Credit	Credit Carryback Period Endi	ing Qı	ıalified Ta	x Liability A	pplied	Ren	ıaininş	Excess Credit
		3rd preceding tax year	_	\$		178	\$		
		2nd preceding tax year 1st preceding tax year	_	\$ \$			\$ \$		
Α.	mount of avenue			900		74	197		
	mount of excess edit from Part 2	Credit Carryforward  1st following tax year		\$			\$		
		2nd following tax year	<del></del>	\$ \$			\$		T2;
		3rd following tax year	_	\$			\$		72
		4th following tax year	=====================================	\$			\$		
т.	ocation name of	5th following tax year	<b>-</b> #	\$			\$		
	ocation name of nterprise Zone(s)	6th following tax year	_	\$			\$		
101	ma prise zone(s)	7th following tax year 8th following tax year	==	\$			\$		
		9th following tax year		\$			\$ \$		
		10th following tax year		\$			\$		





# Indiana Department of Revenue Enterprise Zone Qualified Employee Deduction Certificate

#### PRIVACY NOTICE

The records in this series are CONFIDENTIAL according to the provisions of I.C. 6-8.1-7-1 and I.C. 5-28-15-8

--- Attach to Indiana individual income tax return ---

Name of Employee	Social Se	Name of Enterprise Zone Date of residence in Enterprise Zone: From To			
Employee's street address			Amount of comper during the period of the Enterprise Zon	f residence in	
City of residence	Caution: Limitation of Deduction Enter 1/2 of the above amount or \$7,500, whichever is less: \$				
Employer	Address		Federal Identificati	on Number	
I certify that the above-named employee was paid the amount indicated as compensation for services rendered, and that he/she is a qualified employee as defined in I.C. 6-3-2-8.					
Signature of Employer	Title	Tel	ephone Number	Date	





# Indiana Department of Revenue Enterprise Zone Qualified Employee Deduction Certificate

PRIVACY NOTICE

The records in this series are CONFIDENTIAL according to the provisions of I.C. 6-8.1-7-1 and I.C. 5-28-15-8

--- Attach to Indiana individual income tax return ---

Name of Employee	Social Security N	umber	Name of Enterprise Date of residence i From	n Enterprise Zone:	
Employee's street address	,			Amount of compenduring the period of the Enterprise Zon	f residence in
City of residence	Caution: Limitation of Deduction Enter 1/2 of the above amount or \$7,500, whichever is less: \$				
Employer	Address	i e		Federal Identificati	on Number
I certify that the above-named employee was paid the amount indicated as compensation for services rendered, and that he/she is a qualified employee as defined in I.C. 6-3-2-8.					
Signature of Employer		Title Tele		ephone Number	Date

Schedule IT-40QEC is to be completed by the enterprise zone employer and distributed to its qualified employee(s). The qualified employee should claim this deduction on their IT-40 Schedule 1, their IT-40PNR Schedule D, or their IT-40X (amended tax return). The employee must attach the IT-40QEC to the state individual income tax return to support any claimed deduction of earned enterprise zone income.

Indiana Code I.C. 6-3-2-8 defines a "qualified employee" as an individual who:

- 1. Has a principal place of residency in the enterprise zone where employed;
- 2. Performs services for the employer 90% of which are directly related to the conduct of the employer's trade or business located in an enterprise zone;
- 3. Performs services for the employer at least 50% of the time during the taxable year within a state enterprise zone; and
- 4. Is employed by a business that remains eligible to receive benefits and incentives as provided by enterprise zone legislation.

Portions of certain Indiana cities are designated as state enterprise zones. Also, certain airport development zones may substitute as enterprise zones. A qualified employee living and working in a designated enterprise zone may be entitled to deduct from state adjusted gross income one-half (1/2) of the enterprise zone income earned for services or \$7,500, whichever is less. Enterprise zone income means wages, salaries, commissions and any other forms of remuneration (as shown in the box on front of this certificate) paid to qualified employees for services by an enterprise zone employer, minus any IRA deductions directly related to that earned income.

Schedule IT-40QEC is to be completed by the enterprise zone employer and distributed to its qualified employee(s). The qualified employee should claim this deduction on their IT-40 Schedule 1, their IT-40PNR Schedule D, or their IT-40X (amended tax return). The employee must attach the IT-40QEC to the state individual income tax return to support any claimed deduction of earned enterprise zone income.

Indiana Code I.C. 6-3-2-8 defines a "qualified employee" as an individual who:

- 1. Has a principal place of residency in the enterprise zone where employed;
- 2. Performs services for the employer 90% of which are directly related to the conduct of the employer's trade or business located in an enterprise zone;
- 3. Performs services for the employer at least 50% of the time during the taxable year within a state enterprise zone; and
- 4. Is employed by a business that remains eligible to receive benefits and incentives as provided by enterprise zone legislation.

Portions of certain Indiana cities are designated as state enterprise zones. Also, certain airport development zones may substitute as enterprise zones. A qualified employee living and working in a designated enterprise zone may be entitled to deduct from state adjusted gross income one-half (1/2) of the enterprise zone income earned for services or \$7,500, whichever is less. Enterprise zone income means wages, salaries, commissions and any other forms of remuneration (as shown in the box on front of this certificate) paid to qualified employees for services by an enterprise zone employer, minus any IRA deductions directly related to that earned income.



# Bloomington Urban Enterprise Association



Showers City Hall, Room 130 401 N. Morton P.O. Box 100 Bloomington, IN 47402 (812) 349-3805

# Loan / Grant Application

## **Requirements:**

- Completed application, signatures and dated
- □ Copy of Deed to property, if applicable
- □ Offer to Purchase, if applicable
- □ Copy of plans, drawings, renderings, etc.
- □ Letter of appropriateness from HAND Historic Preservation Program Manager, if applicable
- □ Site Plan
- □ Project specifications/work write up with estimates, if applicable
- □ Zoning compliance/approval letter, if applicable
- □ Pro Forma Operating Budget
- Project Timeline



# Loan / Grant Program Application

The information collected below will be used to determine whether the project qualifies for funding by the Bloomington Urban Enterprise Association. All information will be kept confidential.

Applicant Information:		
Applicant (include the names of all partners):		Phone:
Applicant Address (include Zip Code):	1	
Address of the Property (include Zip Code):		
Ownership:		
o Individual o Partnership o Co o Non-Profit Organization o Association	orporation (Specify: _ (Specify: _	)
Federal ID No.:		
Year of incorporation:	Length of time at thi	s location:
Contact Person:	Tel: ( )	
Please give a brief description of your business/org	anization:	
Have you participated in any Zone tax incentives?	o Yes o No	
If so, which ones?		
Project Description:		
Requested amount of BUEA funds \$	_	



Economic Impact:	Social Impact:	
Total number of jobs at location:	Total number monthly participants:	
Number of new jobs added from project:	Total number of monthly participants who live in the Zone:	
Average wages for all jobs:		
Average wages for new jobs:	Will this funding help you offer:  o Educational opportunities	
Are the new jobs: o FT (#) o PT (#)	<ul><li>o Job training</li><li>o Youth development</li><li>o Healthcare</li></ul>	
Do these new jobs have benefits: o Yes o No	o Self-sufficiency programs	
Please describe:	Please attach information on your evaluation/outcome measurement tool and colleted data.	
Physical Impact:		
Cost of acquisition:	Please estimate how BUEA funds will be spent:	
Is this property historically eligible?	Acquisition: \$	
Have you hired a contractor:	Renovate interior: \$	
If so, who?	Renovate exterior: \$(non-façade)	
Address:	Renovate façade: \$	
Will the contractor or subcontractors be Zone businesses?	Site improvements: \$	
If so, list:	Other (describe): \$	
Will this project be for property acquisition or rel		
Please list all existing or pending loans, grants or other funding on	this property:	
1	<u> </u>	
Type: o Loan o Grant o Other (		
Type: o Loan o Grant o Other (		
3	<u> </u>	
Type: o Loan o Grant o Other (		
4		
Type: o Loan o Grant o Other (	Status:	
Total \$		



Total Estimated Cost of Project:	Do you have clear title to the property?
	o Yes o No
Do you intend to apply for:	Answer for all partners:
date of meeting.	<ol> <li>Have you ever defaulted on a job/loan?         o Yes o No</li> <li>Have you been adjudged bankrupt?         o Yes o No</li> <li>Have you ever been debarred from the State or Federal contractor construction listing?         o Yes o No</li> <li>If yes, please attach copy of approval letter. If no, please specify</li> </ol>
o Yes o No (Meeting date:  Estimated construction start date:	Estimated construction completion date:
Currently underway	Estimated construction completion date.
I hereby certify that the information provided in this a for the purposes of obtaining financial assistance from (BUEA) and is true and complete to the best of my kn	n the Bloomington Urban Enterprise Association
Applicant	Date
Applicant	Date





Bloomington Urban Enterprise Association

# Resident Economic Independence Scholarship

The Bloomington Urban Enterprise Association's Resident Economic Independence Scholarships are available to help Zone residents pursue educational endeavors in an attempt to further their economic wellbeing. If you are a Zone resident and have lived within the Zone for at least 12 months, you may apply for an Economic Independence Scholarship by submitting the attached application.

The scholarship may be used to pay for any class that clearly aids in furthering one's economic wellbeing. In the past, the scholarship has been used to take classes at Ivy Tech Community College and the Small Business Development Center as well as take classes necessary to pursue other professional opportunities such as real estate and cosmetology.

The BUEA will pay for two classes, including textbooks, or up to \$600.00 a semester, whichever is less. Over one's lifetime the BUEA will provide up to \$1,200.00 in educational assistance. However, funds are limited and awarded on a first-come, first-serve basis.

Applications must be received at least one month prior to the start of the class(es) being paid for with the scholarship. The BUEA will notify applicants of approval or denial by U.S. mail within seven business days. Funds will be sent directly to the institution providing the class(es).

To apply, send a completed application along with proof of residency (e.g. a photocopy of a valid driver's license or a recent utility bill) to:

Bloomington Urban Enterprise Association Post Office Box 100 Bloomington, IN 47402

If you have any questions, please call the BUEA at (812) 349-3805.





# Bloomington Urban Enterprise Association

# Resident Economic Independence Scholarship Application

Name:	
Home Address:	
How long have ye	ou lived at this address?
Phone:	
Email:	
Proposed Classes	s: 1)
	2)
Institution Offeri	ng Classes :
Student ID Num	ber:
Attach to this for	rm a written response addressing the following questions:
	are your long term educational and career goals? will completing the proposed class(es) aid in reaching these goals?
understand that by the BUEA or s	provided is true and complete to best of my knowledge and belief. I further in order to receive future funding, I must earn at least a "C" in classes paid for show proof of completion if class is not graded, remain in good financial e educational institution, and maintain my residence in the Urban Enterprise
Signature	Date
Please return thi	s form along with proof of residence and written response to:
Bloomington Urb P.O. Box 100 Bloomington, IN	oan Enterprise Association 4740

